

**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Administration**Reporting level:** 00-405-100-00-00-00-00000000**Program Performance Measures**

The 2013 Legislature adopted legislation that gave the Industrial Commission additional responsibilities. They were: oversight on the Western Area Water Supply Authority industrial sales and oversight of the Outdoor Heritage Fund. The Administrative Office developed the process for doing the oversight of the Western Area Water Supply Authority (WAWSA) industrial sales and worked closely with the Bank of North Dakota staff on tracking the debt service payments on outstanding WAWSA debt. In addition, the staff worked closely with the Water Commission in the review and approval of water rates as required by law.

In regards to the Outdoor Heritage Fund, the administrative office developed and coordinated the process for funding of grants from the Outdoor Heritage Fund. The Administrative Office has the contract responsibilities for this Fund. As of September 17 the Industrial Commission has approved funding for 48 projects totaling over \$14.1 million.

Under the Lignite Research Development and Marketing Program funding was provided for numerous lignite research projects that are assisting with the development of technology to improve various facets of lignite mining and electrical generation from lignite. Funding was also approved to assist with costs for litigation that threatens the use of lignite in North Dakota for electrical generation that is used outside the State of North Dakota. The majority of the funding provided through this program is matched from other funding sources (private and federal).

The Industrial Commission administrative staff provided continuing disclosure on all outstanding North Dakota Building Authority bonds and evaluated whether it was economic to refund any outstanding bond issues. The staff also processed payments to meet debt service deadlines.

The Industrial Commission administrative staff continued its oversight of the Student Loan Trust.

The Industrial Commission administrative staff assisted with the Transmission Authority.

The Industrial Commission administrative staff assistance with the Oil and Gas Research Program and the Renewable Energy Development Program and is responsible for the contract management of the projects awarded funding. Currently these two programs have over 18 on-going projects.

The Pipeline Authority has been working with numerous oil and gas and pipeline companies to assist in the construction of pipelines and gas processing plants. A number of pipelines and gas processing plants are either under construction or are being planned. During the current biennium the Pipeline Authority Director chaired the North Dakota Pipeline Technology Working Group established by Governor Dalrymple to research technological solutions and provide recommendations that could be implemented to improve the monitoring and control of pipeline systems.

**Program Statistical Data**

The Commission averages between 15 and 20 meetings a year dealing with all areas of the Commission's responsibilities. The Commission's Executive Director participates in all Lignite Research Council, Oil and Gas Research Council, Renewable Energy Council and Outdoor Heritage Fund Advisory Board meetings.

The Building Authority has \$57,653,000 of bonds outstanding as of June 30, 2014.

As of June 30, 2014, the Student Loan Trust has \$41,236,000 of assets.

Since 1987, the Lignite Research Program has invested approximately \$75 million in over 225 research, development, education and marketing projects. Matching dollars and in-kind services of over \$500 million have been committed to these projects.

**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Administration**Reporting level:** 00-405-100-00-00-00-00000000

As of October 1, 2014, the Industrial Commission funded renewable energy projects through the Renewable Energy Development Program totaling just over \$7.8 million. Matching dollars and in-kind services of over \$20 have been committed to these projects.

As of October 1, 2014, the Industrial Commission funded oil and gas research projects through the Oil and gas Research program totaling just over \$21.7 million. Matching dollars are in-kind services of over \$170 million have been committed to these projects.

As of October 1, 2014 the Industrial Commission has awarded funding of over \$14.1 million from the Outdoor Heritage Fund for 48 projects.

The Industrial Commission also provides funding for the State's active participation in the Interstate Oil and Gas Company Commission by two legislators, industry representatives and North Dakota citizens.

**Explanation of Program Costs**

The appropriation for lease/loan-bond payments for outstanding North Dakota Building Authority bonds is found in the Industrial Commission Administrative Office budget. Each agency that has benefited from a Building Authority financing is billed for their portion of the debt service payments. The Administrative Office appropriation reflects these dollars as special fund receipts whether they come from the General Fund or other funding sources. The budget reflects a reduction in costs as outstanding bond issues mature.

The continuing appropriation for the Oil and Gas Research Program comes from dollars held in the Oil and Gas Research Fund (OGRF). (The source of funding for the OGRF is the oil and gas gross production tax and oil extraction tax revenues. The 2013 Legislature increased the funding amount for this Fund to \$10,000,000 a biennium. All grants are matched with either private or federal funding or in-kind services. No General Fund dollars are used for the Oil and Gas Research Program. As the Oil and Gas Research Program has a continuing appropriation, its funding is not reflected in the Industrial Commission budget. Reference to this program has been included in the discussion of the Industrial Commission budget since the Industrial Commission administers the funding for this Program.

All funding of the Lignite Research, Development and Marketing Program comes from dollars held in the Lignite Research Fund. The funding sources for the Fund are a \$.02 per ton severance tax and a percentage of the Coal Trust Fund along with interest income. During the 2007-2009 biennium additional funds were authorized from the coal conversion tax and that funding source will continue through the 2015-2017 biennium. The Program also receives income from its investment in the Dakota Gasification Plant. The majority of the grants are matched with either private or federal funding. No General Fund dollars are used for the Lignite Research Program. This proposed budget removes the funding from the Administrative Office budget as it has a continuing appropriation. Reference to this program has been included in the discussion of the Industrial Commission budget since the Industrial Commission administers the funding for this Program.

During the 2013 legislative session a continuing appropriation source of funding was identified for the Renewable Energy Program. The funding for this program comes from the Resources Trust Fund at the level of \$3,000,000 a biennium. Reference to this program has been included in the discussion of the Industrial Commission budget since the Industrial Commission administers the funding for this Program.

The 2013 Legislative Assembly established the Outdoor Heritage Fund and placed the responsibility for administering this new Fund with the Industrial Commission. This Fund has a continuing appropriation of \$30,000,000 a biennium (\$15 million a year) with the funding source for the Fund being oil production revenues. Reference to this program has been included in the discussion of the Industrial Commission budget since the Industrial Commission administers the funding for this program.

The 2013 Legislative Assembly also gave additional responsibilities to the Industrial Commission regarding oversight of the Western Area Water Supply Authority (WAWS) industrial sales. The Legislature directed that WAWS provided \$150,000 a biennium to the Industrial Commission to cover the costs of additional workload. Funding for one FTE with related operational costs have been identified in this budget request.

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All funding for the administrative office comes from the entities which report to the Commission--the Bank of North Dakota, Housing Finance Agency, State Mill, Public Finance Authority, Student Loan Trust, Lignite Research Fund, Oil and Gas Research Program, Renewable Energy Development Program, Outdoor Heritage Fund and the Western Area Water Supply Authority payment.

**Program Goals and Objectives**

To provide ongoing coordination of the responsibilities of the Industrial Commission.

To provide financial advisory services to the various entities under the Industrial Commission jurisdiction.

Impact national oil and gas energy policy through the State's active participation in the Interstate Oil and Gas Compact Commission.

To set overall policies and goals and rules and regulations as appropriate for the Bank of North Dakota, Department of Mineral Resources, Housing Finance Agency, State Mill, Lignite Research, Development and Marketing Program, Public Finance Authority, North Dakota Student Loan Trust, Oil and Gas Research Program, Farm Finance Agency, North Dakota Transmission Authority, North Dakota Pipeline Authority, Renewable Energy Development Program, Outdoor Heritage Fund and oversight on the Western Area Water Supply Authority industrial sales.

Directly administer the bonding programs for the North Dakota Building Authority, Student Loan Trust and if needed, Lignite Research Program, Transmission Authority and the Pipeline Authority.

Under the Student Loan Trust provide a secondary market for student loans and provide borrower incentives that are passed on to North Dakota student loan borrowers.

Under the Lignite Research Program, provide financial assistance to encourage research, development, education and marketing of lignite and products derived from lignite. Under the Lignite Research Program provide funding for the Attorney General to litigate laws adopted in the State of Minnesota which hinder the ability of North Dakota industry to export electricity to Minnesota.

Under the Oil and Gas Research Program promote the growth of the oil and gas industry through research and education by providing matching funds for projects that meet the mission of the Program.

Through the Transmission Authority serve as a catalyst for developing transmission in North Dakota, offer an alternative source of financing, partner with investors and transmission providers, foster the development of transmission corridors and serve as a transmission developer--to be a builder of last resort.

Through the Pipeline Authority serve as a catalyst for developing pipeline infrastructure in North Dakota, partner with investors and pipeline providers and serve as a pipeline developer--to be builder of last resort.

Through the Renewable Energy Program provide financial assistance to encourage research and development of renewable energy sources.

Through the Outdoor Heritage Fund provide grants to applicants that fulfill the mission established by the legislature to provide access to private and public lands for sportsmen, create fish and wildlife habitats, support stewardship for farming and ranching, enhance water quality, plant diversity, soil conditions and conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

# REQUEST DETAIL BY PROGRAM

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Biennium: 2015-2017

Program: Administration		Reporting Level: 00-405-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
<b>Salaries and Wages</b>					
Salaries - Permanent	253,630	361,158	109,345	470,503	0
Temporary Salaries	0	0	0	0	4,545
Fringe Benefits	87,595	156,576	32,694	189,270	455
<b>Total</b>	<b>341,225</b>	<b>517,734</b>	<b>142,039</b>	<b>659,773</b>	<b>5,000</b>
<b>Salaries and Wages</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	341,225	517,734	142,039	659,773	5,000
<b>Total</b>	<b>341,225</b>	<b>517,734</b>	<b>142,039</b>	<b>659,773</b>	<b>5,000</b>
<b>Accrued Leave Payments</b>					
Salaries - Permanent	0	9,388	(9,388)	0	0
<b>Total</b>	<b>0</b>	<b>9,388</b>	<b>(9,388)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	9,388	(9,388)	0	0
<b>Total</b>	<b>0</b>	<b>9,388</b>	<b>(9,388)</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>					
Travel	16,682	26,025	4,525	30,550	7,000
Supplies - IT Software	1,384	1,400	0	1,400	0
Supply/Material-Professional	2,732	2,500	600	3,100	0
Food and Clothing	0	100	500	600	0
Miscellaneous Supplies	8	300	250	550	0
Office Supplies	3,023	3,560	500	4,060	0
Postage	328	500	125	625	0
Printing	2,691	3,725	3,000	6,725	0
IT Equip Under \$5,000	6,501	8,812	3,500	12,312	0
Other Equip Under \$5,000	42	100	0	100	0
Office Equip & Furn Supplies	3,115	100	200	300	0
Insurance	180	350	123	473	0
Rentals/Leases - Bldg/Land	13,484	14,830	270	15,100	0
Repairs	0	950	493	1,443	0
IT - Data Processing	13,719	14,662	8,831	23,493	0
IT - Communications	2,261	3,360	2,029	5,389	0

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Biennium: 2015-2017

Program: Administration		Reporting Level: 00-405-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
IT Contractual Svcs and Rprs	0	250	0	250	0
Professional Development	24,531	35,316	(700)	34,616	40,000
Operating Fees and Services	4,942	1,500	100	1,600	0
Fees - Professional Services	11,005	17,255	300	17,555	0
<b>Total</b>	<b>106,628</b>	<b>135,595</b>	<b>24,646</b>	<b>160,241</b>	<b>47,000</b>
<b>Operating Expenses</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	106,628	135,595	24,646	160,241	47,000
<b>Total</b>	<b>106,628</b>	<b>135,595</b>	<b>24,646</b>	<b>160,241</b>	<b>47,000</b>
<b>Grants</b>					
Grants, Benefits & Claims	5,559,595	19,500,000	(19,500,000)	0	0
<b>Total</b>	<b>5,559,595</b>	<b>19,500,000</b>	<b>(19,500,000)</b>	<b>0</b>	<b>0</b>
<b>Grants</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	5,559,595	19,500,000	(19,500,000)	0	0
<b>Total</b>	<b>5,559,595</b>	<b>19,500,000</b>	<b>(19,500,000)</b>	<b>0</b>	<b>0</b>
<b>Carbon Dioxide Storage Administration</b>					
Transfers Out	532,000	0	0	0	0
<b>Total</b>	<b>532,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carbon Dioxide Storage Administration</b>					
General Fund	532,000	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>532,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bond Payments</b>					
Transfers Out	25,087,784	19,809,969	(4,769,140)	15,040,829	0
<b>Total</b>	<b>25,087,784</b>	<b>19,809,969</b>	<b>(4,769,140)</b>	<b>15,040,829</b>	<b>0</b>
<b>Bond Payments</b>					
General Fund	0	0	0	0	0

**REQUEST DETAIL BY PROGRAM**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Biennium: 2015-2017

Program: Administration		Reporting Level: 00-405-100-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Federal Funds	0	0	0	0	0
Special Funds	25,087,784	19,809,969	(4,769,140)	15,040,829	0
<b>Total</b>	<b>25,087,784</b>	<b>19,809,969</b>	<b>(4,769,140)</b>	<b>15,040,829</b>	<b>0</b>
<b>Renewable Energy Dev</b>					
Transfers Out	1,500,000	0	0	0	0
<b>Total</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Renewable Energy Dev</b>					
General Fund	1,500,000	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditures</b>	<b>33,127,232</b>	<b>39,972,686</b>	<b>(24,111,843)</b>	<b>15,860,843</b>	<b>52,000</b>
<b>Funding Sources</b>					
<b>General Fund</b>					
<b>Total</b>	<b>2,032,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Special Funds</b>					
003 Special Fund Budget	0	0	0	0	0
305 Industrial Commission Fund 305	25,519,795	20,472,686	(4,611,843)	15,860,843	52,000
314 Lignite Research Fund 314	5,575,437	19,500,000	(19,500,000)	0	0
<b>Total</b>	<b>31,095,232</b>	<b>39,972,686</b>	<b>(24,111,843)</b>	<b>15,860,843</b>	<b>52,000</b>
<b>Total Funding Sources</b>	<b>33,127,232</b>	<b>39,972,686</b>	<b>(24,111,843)</b>	<b>15,860,843</b>	<b>52,000</b>
<b>FTE Employees</b>	<b>2.31</b>	<b>4.00</b>	<b>0.00</b>	<b>4.00</b>	<b>0.00</b>

**CHANGE PACKAGE DETAIL**

405 Industrial Commission

Biennium: 2015-2017

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Program: Administration			Reporting Level: 00-405-100-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**Base Budget Changes****Ongoing Budget Changes**

A-A 3 Base Budget Changes		0.00	0	0	(24,244,494)	(24,244,494)
Base Payroll Change		0.00	0	0	132,651	132,651
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>(24,111,843)</b>	<b>(24,111,843)</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>(24,111,843)</b>	<b>(24,111,843)</b>

**Optional Budget Changes****Ongoing Optional Changes**

A-C 25 I.C. Administration Increases	23	0.00	0	0	52,000	52,000
<b>Total Ongoing Optional Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>52,000</b>	<b>52,000</b>
<b>Total Optional Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>52,000</b>	<b>52,000</b>

**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Geological Survey**Reporting level:** 00-405-300-01-00-00-00-00000000**Program Performance Measures**

For the past ten years, the Geological Survey has consistently exceeded the goals set forth in its annual strategic plans.

**PERMIT PROCESSING**

The Geological Survey consistently issues coal exploration and geothermal permits within seven business days of the day they are received.

**CORE AND SAMPLE LIBRARY**

The Geological Survey provides same business day response for requests from industry to study core in our facility or to ship the core to an approved out-of-state facility. We experienced record activity in the core and sample library in 2013, industry and academia studied more than 79,000 feet of core. That was equal to the core studied for a seven year period between January 1, 1999 and December 31, 2005. In 2012 and 2013, industry submitted more than 11,000 core and samples boxes to the core library, equal to all of the boxes that were submitted during a 17 year period from 1992 - 2008. The Survey core library would have filled to capacity three years ago had we not created storage space in the building by replacing damaged core boxes, reboxing samples, discarding low-priority items, and rearranging archival materials. As it is, the building is projected to be filled to capacity in 2017.

**OUTREACH-CUSTOMER SERVICE**

The Geological Survey website currently provides access to over 635 articles and publications, 550 geologic maps, etc. for access by industry, government, and the general public. The Geological Survey continues to provide a number of outreach activities (presentations, tours, fieldtrips, fossil excavations, rock and fossil displays, core workshops, website material, etc.) on various aspects of North Dakota's geology. The tours of our paleontology laboratory were curtailed this biennium due to construction activities at the North Dakota Heritage Center.

**Program Statistical Data**

Industry has studied more than 46,732 feet of core in the core library laboratory during the first half of this biennium, slightly above the five-year average. The first 12 months of this biennium we photographed more than 8,600 feet of core and posted 10,750 photographs to the ND Oil and Gas Division subscription website. These photographs have been used by our geologists and engineers as well as industry geologists and engineers to promote the North Dakota portion of the Williston Basin at regional and national meetings. We also logged more than 3,200 feet of core with the University of North Dakota's newly acquired core gamma ray logger.

During the first 12 months of the current biennium, our geologists gave 62 presentations ranging from service clubs to professional conferences such as the Association of American Petroleum Geologists, Geological Society of America, Williston Basin Petroleum Conference & Expo, ND Petroleum Council, North Dakota Lignite Council, public fossil digs, public meetings, and fieldtrips throughout North Dakota to 5,128 industry geologists and engineers, teachers, students, and other interested people.

We answered more than 3,800 enquiries during the first half of the 2011-2013 biennium, above the five-year average. These enquiries came from industry, geotechnical consultants, state and federal agencies, municipalities, and citizens on a variety of topics such as shallow gas, oil activity (including the Spearfish, Tyler, Bakken, Three Forks, Red River, and Icebox Formations), uranium, coal, potash, diamonds, clay, scoria, sand & gravel, gold, fossils, meteorites, geologic hazards, geothermal, paleontology, environmental reviews of transmission line corridors, etc.

Survey scientists reviewed the geology for 127 environmental assessments of transmission and pipeline corridors, highway and bridge construction, waste permits, coal mine permits, and performed mineral and paleontological assessments on 649 Trust Land tracts during the first half of the current biennium.

The Geological Survey issued 124 coal exploration, geothermal, subsurface mineral, and paleontological resource assessment permits over the last twelve months. A total of 1,996 test holes or wells were drilled under these permits during this time period. This is approximately half the average for the last five years.



**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Geological Survey**Reporting level:** 00-405-300-01-00-00-00-00000000**Explanation of Program Costs**

The Geological Survey's requested budget is 99% general funds and 1% federal funds. Budget costs are primarily salary and benefits (80%). The federal funds have slightly increased over the current biennium.

The operating budget consists primarily of Lease/Rent (28 %) for the Bismarck office and warehouse. Other items in our budget are indicative of the agency's role in providing services necessary to meet the objectives of collecting and disseminating geologic data, overseeing the regulatory aspects assigned to us and providing information as requested. The items of greater costs include travel (23%), primarily for fieldwork, and IT costs (20%) including Data Processing, Telephone, and Contractual Services. The Survey carries maintenance contracts on various drafting, GIS, and other specialized software programs.

**Program Goals and Objectives**

Goals for the Geological Survey are to provide detailed information on the surface and subsurface geology of North Dakota to citizens, industry, municipalities, and other state and federal agencies; to identify, collect and display important fossils of North Dakota; to efficiently administer regulatory programs; and to disseminate educational geologic material to the general public.

The objectives of the Geological Survey are to map the entire surface geology of the State of North Dakota at a scale of 1:24,000 and the subsurface at a scale of 1:100,000, to perform mineral assessments of areas of interest identified by industry, to exhibit dinosaur and Ice Age mammals at various localities around the State, to continue to issue regulatory permits in a timely fashion, to maximize space in our core and sample library by reboxing cores, to photograph all oil core and thin sections for the ND Oil and Gas subscription site, to continue to provide timely responses to industry requests for access to cores and samples, to provide additional opportunities for citizens of the state to participate in public fossil digs and other geotourism ventures, and to continue to participate in, and provide geologic information for, the North Dakota science teachers conference and oil and lignite industry seminars for North Dakota teachers.

**REQUEST DETAIL BY PROGRAM**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:49:29

<b>Program:</b> Geological Survey	<b>Reporting Level:</b> 00-405-300-01-00-00-00000000
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
<b>Salaries and Wages</b>					
Salaries - Permanent	2,111,748	2,572,258	(6,960)	2,565,298	377,052
Salary Budget Adjustment	0	0	0	0	33,167
Salaries - Other	0	0	0	0	240,000
Temporary Salaries	137,264	133,592	0	133,592	0
Fringe Benefits	703,191	882,174	90,360	972,534	149,292
<b>Total</b>	<b>2,952,203</b>	<b>3,588,024</b>	<b>83,400</b>	<b>3,671,424</b>	<b>799,511</b>
<b>Salaries and Wages</b>					
General Fund	2,897,214	3,527,799	82,457	3,610,256	799,511
Federal Funds	54,989	60,225	943	61,168	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>2,952,203</b>	<b>3,588,024</b>	<b>83,400</b>	<b>3,671,424</b>	<b>799,511</b>
<b>Accrued Leave Payments</b>					
Salaries - Permanent	0	71,973	(71,973)	0	0
<b>Total</b>	<b>0</b>	<b>71,973</b>	<b>(71,973)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
General Fund	0	71,973	(71,973)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>71,973</b>	<b>(71,973)</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>					
Travel	98,573	223,549	(87,853)	135,696	187,223
Supplies - IT Software	27,667	51,075	0	51,075	4,880
Supply/Material-Professional	32,423	59,800	(13,500)	46,300	104,143
Food and Clothing	388	600	0	600	1,000
Bldg, Ground, Maintenance	13,525	9,282	3,000	12,282	7,500
Miscellaneous Supplies	17,218	17,700	0	17,700	3,000
Office Supplies	32,047	20,300	0	20,300	1,300
Postage	6,362	14,000	0	14,000	0
Printing	15,279	25,750	0	25,750	0
IT Equip Under \$5,000	19,713	36,050	2,400	38,450	7,625
Other Equip Under \$5,000	13,338	8,500	0	8,500	12,500
Office Equip & Furn Supplies	13,845	4,694	7,500	12,194	8,250
Utilities	9,760	10,200	3,000	13,200	0
Insurance	4,296	6,200	0	6,200	5,500

# REQUEST DETAIL BY PROGRAM

405 Industrial Commission

Biennium: 2015-2017

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Program: Geological Survey		Reporting Level: 00-405-300-01-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Rentals/Leases-Equip & Other	4,749	5,600	(3,000)	2,600	0
Rentals/Leases - Bldg/Land	232,725	250,481	11,407	261,888	0
Repairs	20,387	21,875	0	21,875	7,500
IT - Data Processing	40,503	49,400	2,000	51,400	6,182
IT - Communications	22,972	28,909	900	29,809	2,806
IT Contractual Svcs and Rprs	1,200	13,235	0	13,235	0
Professional Development	9,976	14,000	0	14,000	1,468
Operating Fees and Services	31,241	22,940	0	22,940	0
Fees - Professional Services	168,136	166,500	(155,000)	11,500	225,000
Medical, Dental and Optical	782	5,000	0	5,000	0
<b>Total</b>	<b>837,105</b>	<b>1,065,640</b>	<b>(229,146)</b>	<b>836,494</b>	<b>585,877</b>
<b>Operating Expenses</b>					
General Fund	837,105	1,065,640	(229,146)	836,494	585,877
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>837,105</b>	<b>1,065,640</b>	<b>(229,146)</b>	<b>836,494</b>	<b>585,877</b>
<b>Capital Assets</b>					
Land and Buildings	0	0	0	0	16,013,442
Equipment Over \$5000	0	5,800	(5,800)	0	0
<b>Total</b>	<b>0</b>	<b>5,800</b>	<b>(5,800)</b>	<b>0</b>	<b>16,013,442</b>
<b>Capital Assets</b>					
General Fund	0	5,800	(5,800)	0	16,013,442
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>5,800</b>	<b>(5,800)</b>	<b>0</b>	<b>16,013,442</b>
<b>Total Expenditures</b>	<b>3,789,308</b>	<b>4,731,437</b>	<b>(223,519)</b>	<b>4,507,918</b>	<b>17,398,830</b>
<b>Funding Sources</b>					
<b>General Fund</b>					
<b>Total</b>	<b>3,734,319</b>	<b>4,671,212</b>	<b>(224,462)</b>	<b>4,446,750</b>	<b>17,398,830</b>
<b>Federal Funds</b>					
R051 PSC Coal	16,000	14,540	157	14,697	0

**REQUEST DETAIL BY PROGRAM**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:49:29

Program: Geological Survey		Reporting Level: 00-405-300-01-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
R057 Statemap	0	14,540	289	14,829	0
R070 NCRDS-Coal	15,820	31,145	497	31,642	0
R116 Geo Formation for C02 Sequestration	23,169	0	0	0	0
<b>Total</b>	<b>54,989</b>	<b>60,225</b>	<b>943</b>	<b>61,168</b>	<b>0</b>
<b>Total Funding Sources</b>	<b>3,789,308</b>	<b>4,731,437</b>	<b>(223,519)</b>	<b>4,507,918</b>	<b>17,398,830</b>
<b>FTE Employees</b>	<b>17.10</b>	<b>19.45</b>	<b>0.03</b>	<b>19.48</b>	<b>3.05</b>

## CHANGE PACKAGE DETAIL

405 Industrial Commission

Biennium: 2015-2017

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Program: Geological Survey			Reporting Level: 00-405-300-01-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

### Base Budget Changes

#### One Time Budget Changes

A-E 1 Remove one-time funding		0.00	(156,722)	0	0	(156,722)
<b>Total One Time Budget Changes</b>		<b>0.00</b>	<b>(156,722)</b>	<b>0</b>	<b>0</b>	<b>(156,722)</b>

#### Ongoing Budget Changes

A-A 3 Base Budget Changes		0.00	(72,424)	0	0	(72,424)
A-F 2 Remove capital asset funding		0.00	(5,800)	0	0	(5,800)
Base Payroll Change		0.03	10,484	943	0	11,427
<b>Total Ongoing Budget Changes</b>		<b>0.03</b>	<b>(67,740)</b>	<b>943</b>	<b>0</b>	<b>(66,797)</b>
<b>Total Base Budget Changes</b>		<b>0.03</b>	<b>(224,462)</b>	<b>943</b>	<b>0</b>	<b>(223,519)</b>

### Optional Budget Changes

#### One Time Optional Changes

A-D 7 Wilson M. Laird Core & Sample Library Expansion	4	0.00	16,033,942	0	0	16,033,942
A-D 20 Aerial Photography	18	0.00	104,143	0	0	104,143
A-D 21 Contract Drilling/Coring & Sedimentological Ana	19	0.00	125,000	0	0	125,000
A-D 22 Paleontology Equipment	20	0.00	12,500	0	0	12,500
A-D 23 Digital Conversion of 2D Seismic Profiles	21	0.00	100,000	0	0	100,000
<b>Total One Time Optional Changes</b>		<b>0.00</b>	<b>16,375,585</b>	<b>0</b>	<b>0</b>	<b>16,375,585</b>

#### Ongoing Optional Changes

A-C 4 Inflation/Restoration	1	0.00	86,131	0	0	86,131
A-C 100 Market Equity	3	0.00	240,000	0	0	240,000
A-C 12 (3) FTE Safety Offic/Acct Bdgt Spec/HR Tech	10	1.05	175,563	0	0	175,563
A-C 14 (2) FTE Surface Geologists	12	2.00	488,384	0	0	488,384
A-C 19 Funding Changes	17	0.00	33,167	0	0	33,167
<b>Total Ongoing Optional Changes</b>		<b>3.05</b>	<b>1,023,245</b>	<b>0</b>	<b>0</b>	<b>1,023,245</b>
<b>Total Optional Budget Changes</b>		<b>3.05</b>	<b>17,398,830</b>	<b>0</b>	<b>0</b>	<b>17,398,830</b>

**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Oil & Gas**Reporting level:** 00-405-300-02-00-00-00-00000000**Program Performance Measures**

**Permit Processing:** The Oil & Gas Division has seen a large increase in the number of drilling permit applications. The average permit processing time has significantly increased, averaging 28 days in 2012 and approximately 48 days today. Although processing efficiency has increased allowing a greater volume of permits to be processed, additional permitting considerations have been implemented during the same time and a record number of applications are pending.

The Oil & Gas Division has also seen a large increase in the number of permit requests for UIC applications. The average permit processing time has increased from an average of 77 days in 2012 to 111 days today, mainly due to the mandatory hearings process required by most applications and additional permitting considerations that have been implemented during the current biennium. Processing efficiency has increased although current staff is being overwhelmed by the large increase in requests.

**Well and Site Construction Regulation:** The Oil & Gas Division witnesses a very high percentage of mechanical integrity tests and rigorously enforces well construction rules designed to protect underground drinking water. Without this program 7% of newly drilled, injection, temporary abandoned wells could have undetected mechanical problems that could endanger ground water resources.

The Oil and Gas Division regulates spill containment through diking and site construction rules.

**Outreach-Customer Service:** The Oil & Gas Division website currently provides over 105,000 electric logs, 30,000 well files, and over 275,000 formation tops, core data, etc for access by industry, government, and the public.

Streaming audio of our live hearings can be accessed from the Oil & Gas Division website. We now provide the Monthly Production Reports (from 2003 to present) on our website, which allows interested parties and royalty owners to access oil and gas marketed by well free of charge.

**Program Statistical Data**

The Oil & Gas Division regulates over 15,000 oil, gas, and injection wells and permits over 2,500 new and re-entry wells and geophysical exploration projects involving 400 square miles and 40,000 shot points each year.

Current oil and gas industry production is approximately 1,100,000 barrels of oil and 1,500,000 barrels of water per day, approximately 5% from active enhanced recovery units.

The Oil & Gas Division will hear approximately 2,000 cases this year which is twice the previous 10-year average.

**Explanation of Program Costs**

General Fund budgeted costs are primarily salaries and benefits (78% for the Oil & Gas Division). Federal funds for protection of fresh water supplies are not increasing, although program costs continue to rise due to inflation and federal environmental mandates. However, the agency continues to have statutory responsibilities to protect fresh water supplies.

Operating budgets are primarily Lease/Rent (26%) for the Bismarck office, warehouse, and three Oil & Gas Division field offices; Travel (50%) three fourths of which is state fleet vehicle mileage for field work, and IT (14%) two thirds of which is ITD data processing - telecommunications - contractual services. Only about one fourth of the IT expense is for PCs and less than one tenth is for software and supplies.

**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Oil & Gas**Reporting level:** 00-405-300-02-00-00-00-00000000**Program Goals and Objectives**

Goals for the Oil & Gas Division are to effectively and efficiently accomplish the statutory responsibilities of the Industrial Commission for the regulation of oil and gas drilling, geologic storage of carbon dioxide, geophysical exploration, development, and production in a manner that will be most beneficial to the producer, royalty owner, citizens of the state; and to facilitate electronic storage of and access to oil and gas production, carbon dioxide storage, reservoir, well, and geophysical exploration data to be used by industry, royalty owners, and other governmental agencies.

The objectives of the Oil and Gas Division are to continue providing the timely engineering, geological, and legal analysis necessary for the Industrial Commission to effectively and efficiently enforce North Dakota's oil and gas conservation statutes; continue the effective field supervision of drilling, geophysical exploration, production of oil and gas, underground injection, geologic storage of carbon dioxide, and reclamation of lands disturbed by oil and gas development; implement electronic filing of oil and gas information; and improve storage and access to computerized geophysical exploration, production, and well information data to industry, royalty owners, other governmental agencies, and the public.

# REQUEST DETAIL BY PROGRAM

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Biennium: 2015-2017

Program: Oil & Gas Reporting Level: 00-405-300-02-00-00-00000000

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
<b>Salaries and Wages</b>					
Salaries - Permanent	6,564,201	9,872,359	(65,631)	9,806,728	2,746,740
Salary Budget Adjustment	0	0	0	0	27,733
Salaries - Other	0	0	0	0	983,743
Temporary Salaries	26,651	162,648	37,352	200,000	0
Fringe Benefits	2,133,663	3,417,182	262,677	3,679,859	1,152,077
<b>Total</b>	<b>8,724,515</b>	<b>13,452,189</b>	<b>234,398</b>	<b>13,686,587</b>	<b>4,910,293</b>
<b>Salaries and Wages</b>					
General Fund	8,522,515	13,218,238	230,618	13,448,856	4,910,293
Federal Funds	202,000	233,951	3,780	237,731	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>8,724,515</b>	<b>13,452,189</b>	<b>234,398</b>	<b>13,686,587</b>	<b>4,910,293</b>
<b>Accrued Leave Payments</b>					
Salaries - Permanent	0	257,990	(257,990)	0	0
<b>Total</b>	<b>0</b>	<b>257,990</b>	<b>(257,990)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
General Fund	0	257,990	(257,990)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>257,990</b>	<b>(257,990)</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>					
Travel	949,824	1,778,979	(441,914)	1,337,065	2,001,397
Supplies - IT Software	25,139	38,800	0	38,800	39,920
Supply/Material-Professional	10,450	6,000	4,900	10,900	0
Food and Clothing	10,905	12,550	5,950	18,500	7,500
Bldg, Ground, Maintenance	8,354	9,000	14,800	23,800	0
Miscellaneous Supplies	11,640	33,500	(12,500)	21,000	22,500
Office Supplies	68,322	24,816	32,500	57,316	0
Postage	27,321	28,750	150	28,900	0
Printing	6,430	6,250	850	7,100	0
IT Equip Under \$5,000	160,777	154,470	(2,470)	152,000	62,375
Other Equip Under \$5,000	60,036	42,380	(1,380)	41,000	43,500
Office Equip & Furn Supplies	59,298	57,200	(20,371)	36,829	67,490
Utilities	3,215	2,997	4,900	7,897	0
Insurance	4,874	8,000	(2,900)	5,100	0



**REQUEST DETAIL BY PROGRAM**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Biennium: 2015-2017

Program: Oil & Gas		Reporting Level: 00-405-300-02-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Rentals/Leases-Equip & Other	0	30	0	30	0
Rentals/Leases - Bldg/Land	495,352	812,295	91,950	904,245	0
Repairs	36,675	30,125	12,875	43,000	0
IT - Data Processing	157,184	191,422	(41,422)	150,000	46,133
IT - Communications	91,375	132,167	18,433	150,600	43,324
IT Contractual Svcs and Rprs	217	1,000	0	1,000	250,000
Professional Development	36,439	60,055	1,945	62,000	8,222
Operating Fees and Services	114,363	90,108	(16,450)	73,658	0
Fees - Professional Services	60,063	1,005,500	(992,500)	13,000	3,000,000
Medical, Dental and Optical	0	291	(291)	0	0
<b>Total</b>	<b>2,398,253</b>	<b>4,526,685</b>	<b>(1,342,945)</b>	<b>3,183,740</b>	<b>5,592,361</b>
<b>Operating Expenses</b>					
General Fund	2,398,253	4,526,685	(1,342,945)	3,183,740	5,592,361
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>2,398,253</b>	<b>4,526,685</b>	<b>(1,342,945)</b>	<b>3,183,740</b>	<b>5,592,361</b>
<b>Capital Assets</b>					
Equipment Over \$5000	0	0	0	0	18,000
Motor Vehicles	0	0	0	0	22,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,000</b>
<b>Capital Assets</b>					
General Fund	0	0	0	0	40,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,000</b>
<b>Total Expenditures</b>	<b>11,122,768</b>	<b>18,236,864</b>	<b>(1,366,537)</b>	<b>16,870,327</b>	<b>10,542,654</b>
<b>Funding Sources</b>					
<b>General Fund</b>					
<b>Total</b>	<b>10,920,768</b>	<b>18,002,913</b>	<b>(1,370,317)</b>	<b>16,632,596</b>	<b>10,542,654</b>
<b>Federal Funds</b>					
R048 UIC Oil & Gas	202,000	233,951	3,780	237,731	0

**REQUEST DETAIL BY PROGRAM**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Biennium: 2015-2017

Program: Oil & Gas		Reporting Level: 00-405-300-02-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Total	202,000	233,951	3,780	237,731	0
Total Funding Sources	11,122,768	18,236,864	(1,366,537)	16,870,327	10,542,654
FTE Employees	52.90	73.55	(0.03)	73.52	24.95

**CHANGE PACKAGE DETAIL**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:49:29

Program: Oil & Gas			Reporting Level: 00-405-300-02-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**Base Budget Changes****One Time Budget Changes**

A-E 1 Remove one-time funding		0.00	(1,021,222)	0	0	(1,021,222)
<b>Total One Time Budget Changes</b>		<b>0.00</b>	<b>(1,021,222)</b>	<b>0</b>	<b>0</b>	<b>(1,021,222)</b>

**Ongoing Budget Changes**

A-A 3 Base Budget Changes		0.00	(321,723)	0	0	(321,723)
Base Payroll Change		(0.03)	(27,372)	3,780	0	(23,592)
<b>Total Ongoing Budget Changes</b>		<b>(0.03)</b>	<b>(349,095)</b>	<b>3,780</b>	<b>0</b>	<b>(345,315)</b>
<b>Total Base Budget Changes</b>		<b>(0.03)</b>	<b>(1,370,317)</b>	<b>3,780</b>	<b>0</b>	<b>(1,366,537)</b>

**Optional Budget Changes****One Time Optional Changes**

A-D 5 Possible Litigation Costs EPA & BLM	2	0.00	3,000,000	0	0	3,000,000
A-D 100 Energy Impact Funding - Housing Allowance & Di	5	0.00	1,187,903	0	0	1,187,903
A-D 9 (2) ATV - Pipeline Inspection	7	0.00	41,500	0	0	41,500
A-D 26 RBDMS.net GWPC Assistance	24	0.00	250,000	0	0	250,000
<b>Total One Time Optional Changes</b>		<b>0.00</b>	<b>4,479,403</b>	<b>0</b>	<b>0</b>	<b>4,479,403</b>

**Ongoing Optional Changes**

A-C 4 Inflation/Restoration	1	0.00	541,141	0	0	541,141
A-C 100 Market Equity	3	0.00	560,000	0	0	560,000
A-C 8 (9) FTE Eng Tech Field Facilities Inspection	6	9.00	1,945,537	0	0	1,945,537
A-C 10 (1) FTE Eng Tech GIS Pipelines	8	1.00	162,018	0	0	162,018
A-C 11 (1) FTE PE Bot Cty Drill Rig Inspector	9	1.00	222,508	0	0	222,508
A-C 12 (3) FTE Safety Offic/Acct Bdgt Spec/HR Tech	10	1.95	326,053	0	0	326,053
A-C 13 (1) FTE PE Reclamation Specialist	11	1.00	230,911	0	0	230,911
A-C 15 (4) FTE ET Logs/Surveys	13	4.00	647,538	0	0	647,538
A-C 16 (1) FTE ET Treating Plant Inspector	14	1.00	215,611	0	0	215,611

**CHANGE PACKAGE DETAIL**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Biennium: 2015-2017

Program: Oil & Gas			Reporting Level: 00-405-300-02-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
A-C 17 (1) FTE PE Geology Analyst	15	1.00	211,920	0	0	211,920
A-C 18 (2) FTE ET APDs	16	2.00	323,769	0	0	323,769
A-C 19 Funding Changes	17	0.00	27,733	0	0	27,733
A-C 24 Contingency (3) FTE ET Field Facilities Inspect	22	3.00	648,512	0	0	648,512
<b>Total Ongoing Optional Changes</b>		<b>24.95</b>	<b>6,063,251</b>	<b>0</b>	<b>0</b>	<b>6,063,251</b>
<b>Total Optional Budget Changes</b>		<b>24.95</b>	<b>10,542,654</b>	<b>0</b>	<b>0</b>	<b>10,542,654</b>

**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Public Finance Authority**Reporting level:** 00-405-500-00-00-00-00000000**Program Performance Measures**

The NDPFA provided funding on a timely basis to those political subdivisions seeking low-cost financing for their capital projects. During 2011 the NDPFA approved under the State Revolving Fund Program \$9,771,352 of Clean Water SRF Program loans and \$14,713,659 of Drinking Water SRF Program loans. During 2011 the NDPFA approved \$3,730,000 of loans under the Capital Financing Program. Due to the 2011 flooding, Disaster Loans to political subdivisions under the Capital Financing Program totaling \$55,560,907 were approved.

**Program Statistical Data**

Under the Capital Financing Program established in April of 1990, the NDPFA has made 168 loans to political subdivisions in the total principal amount of \$90,393,016. These totals include 17 State School Construction Fund leases purchased from the State Board of Public Instruction in 1994 in the total principal amount of \$6,300,205. The NDPFA had \$10,674,000 loans outstanding as of December 31, 2011. All CFP loans are normally made with bond proceeds. The NDPFA has also made 49 direct loans as investments of CFP assets, rather than using bond proceeds, in the amount of \$8,443,898. These direct loans are generally for terms of less than five years. As of December 31, 2011, the NDPFA had \$847,830 in outstanding direct loans. In addition, 32 Disaster Loans were approved and 12 political subdivisions borrowed \$12,153,230 in 2011. For the year ended December 31, 2011, the PFA borrowed \$9,141,832 from the Bank of North Dakota and made \$3,011,398 of direct loans as investments of CFP assets.

The State Revolving Fund Program consists of a Clean Water SRF Program and a Drinking Water SRF Program. As of December 31, 2011, under the Clean Water SRF Program established in October 1990, the NDPFA has approved 223 loans to political subdivisions in the total principal amount of \$316,264,717 and has funded \$291,586,429 of this amount (SRFP loans are funded as construction costs are incurred). As of December 31, 2011 under the Drinking Water SRF Program, established in October, 1998, the NDPFA has approved 154 loans to political subdivisions in the total principal amount of \$298,520,761 and has funded \$251,544,849 of this amount. These loans are made at below-market interest rates (during 2011 the rate was 2.5%) for the construction of wastewater treatment works and public water systems. As of December 31, 2011 the total amount of SRF Program Bonds outstanding was \$203,785,000 and the total outstanding amount of SRF Program loans was \$359,384,442.

**Explanation of Program Costs**

All program costs for the NDPFA are from revenues of the NDPFA. No General Fund dollars are utilized for the operations of the NDPFA. Salaries and wages for the NDPFA's employees comprise the largest single program cost.

**Program Goals and Objectives**

To provide market and below-market interest rate loans to North Dakota political subdivisions and other qualifying organizations at low costs of issuance and in compliance with federal tax laws and regulations and State law.

**PROGRAM NARRATIVE****405 Industrial Commission****Date:** 12/23/2014**Time:** 12:49:29**Program:** Public Finance Authority**Reporting level:** 00-405-500-00-00-00-00-00000000

To administer the NDPFA's programs in such a manner as to assure credit ratings that allow the NDPFA to sell its bonds at low interest rates. In turn those low interest rates can be passed on to the political subdivision. Current rating for the State Revolving Fund program is Aaa from Moody's Investors Services. The Capital Financing Program has a rating of A+.

To develop new programs as needed to meet the financing needs of the political subdivisions and other qualifying organizations for capital projects and economic development opportunities.

To encourage economic development by offering to purchase qualified small issue bonds. For those entities that qualify for this program, it provides a way to secure long-term fixed rate borrowings at tax-exempt rates. As originally approved by the 2005 legislature, in order to limit the State's exposure and create a diversified group of borrowers, the program has limits of \$2,000,000 per borrower and \$20,000,000 for the entire program.

To provide the services of the NDPFA to other state agencies which have the authority to issue debt through an administrative agreement between those agencies and the NDPFA. This concept was introduced and approved during the 2005 Legislative Session to create more efficient government by allowing any state agency to utilize the existing resources and expertise of the NDPFA staff.

To act as the financial agent for the Health Department in administering and managing the finances of the State Revolving Fund Program. Revolving loan funds have been established under North Dakota Century Code chs. 61-28.1 and 61-28.2 for the SRF Program. By establishing these statutory revolving loan funds, the State, through the Health Department, is eligible to receive capitalization grants from the federal Environmental Protection Agency. Under the SRF Program, bonds are sold by the NDPFA to provide state match dollars and leverage loan dollars. These funds, together with the capitalization grants, are used to make below-market interest rate loans to political subdivisions for qualified wastewater treatment and public water system projects.

To provide accounting services to other state agencies as requested. Currently the NDPFA accounting staff provides accounting services to other Industrial Commission entities.

**REQUEST DETAIL BY PROGRAM**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:49:29

Program: Public Finance Authority		Reporting Level: 00-405-500-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
<b>Salaries and Wages</b>					
Salaries - Permanent	320,596	343,007	53,161	396,168	0
Fringe Benefits	0	129,978	20,628	150,606	0
<b>Total</b>	<b>320,596</b>	<b>472,985</b>	<b>73,789</b>	<b>546,774</b>	<b>0</b>
<b>Salaries and Wages</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	320,596	472,985	73,789	546,774	0
<b>Total</b>	<b>320,596</b>	<b>472,985</b>	<b>73,789</b>	<b>546,774</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
Salaries - Permanent	0	8,345	(8,345)	0	0
<b>Total</b>	<b>0</b>	<b>8,345</b>	<b>(8,345)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	8,345	(8,345)	0	0
<b>Total</b>	<b>0</b>	<b>8,345</b>	<b>(8,345)</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>					
Travel	10,423	20,000	0	20,000	0
Supplies - IT Software	0	3,600	0	3,600	0
Supply/Material-Professional	1,996	4,000	0	4,000	0
Miscellaneous Supplies	0	2,000	0	2,000	0
Office Supplies	867	5,000	0	5,000	0
Postage	468	2,000	0	2,000	0
Printing	98	1,000	0	1,000	0
IT Equip Under \$5,000	1,710	8,000	0	8,000	0
Insurance	47	1,000	0	1,000	0
Rentals/Leases - Bldg/Land	0	24,000	0	24,000	0
IT - Data Processing	2,738	10,000	0	10,000	0
IT - Communications	2,903	10,000	0	10,000	0
IT Contractual Svcs and Rprs	1,548	2,200	0	2,200	0
Professional Development	7,480	16,800	0	16,800	0
Operating Fees and Services	0	16,000	0	16,000	0
Fees - Professional Services	60,478	100,000	0	100,000	0
<b>Total</b>	<b>90,756</b>	<b>225,600</b>	<b>0</b>	<b>225,600</b>	<b>0</b>

**REQUEST DETAIL BY PROGRAM**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:49:29

Program: Public Finance Authority		Reporting Level: 00-405-500-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
<b>Operating Expenses</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	90,756	225,600	0	225,600	0
<b>Total</b>	<b>90,756</b>	<b>225,600</b>	<b>0</b>	<b>225,600</b>	<b>0</b>
<b>Total Expenditures</b>	<b>411,352</b>	<b>706,930</b>	<b>65,444</b>	<b>772,374</b>	<b>0</b>
<b>Funding Sources</b>					
<b>Special Funds</b>					
900 Public Finance Authority	411,352	706,930	65,444	772,374	0
<b>Total</b>	<b>411,352</b>	<b>706,930</b>	<b>65,444</b>	<b>772,374</b>	<b>0</b>
<b>Total Funding Sources</b>	<b>411,352</b>	<b>706,930</b>	<b>65,444</b>	<b>772,374</b>	<b>0</b>
<b>FTE Employees</b>	<b>2.75</b>	<b>2.75</b>	<b>0.00</b>	<b>2.75</b>	<b>0.00</b>



**CHANGE PACKAGE DETAIL**

405 Industrial Commission

Bill#: HB1014

Date: 12/23/2014

Time: 12:49:29

Biennium: 2015-2017

Program: Public Finance Authority			Reporting Level: 00-405-500-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**Base Budget Changes****Ongoing Budget Changes**

Base Payroll Change	0.00	0	0	65,444	65,444
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<b>Total Ongoing Budget Changes</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>65,444</b>	<b>65,444</b>
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<b>Total Base Budget Changes</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>65,444</b>	<b>65,444</b>
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